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MONTHLY REVIEW

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AMERICAN FOREIGN POLICY

THE EDITORS

FRAGMENTS OF F. D. R.

EDGAR SNOW

THE NEW POLAND

LEO HUBERMAN

VOL. 8

9

The Polish October

An Interview with Oscar Lange

EDITORS . . . LEO HUBERMAN . . . PAUL M. SWEEZY

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CONTENTS

VOLUME EIGHT

NUMBER NINE

JANUARY 1957

REVIEW OF THE MONTH: American Foreign Policy	305
FRAGMENTS OF F.D.R., Part I, by Edgar Snow	316
A REPORT ON THE NEW POLAND by Leo Huberman	322
THE POLISH OCTOBER: An Interview with Oscar Lange	328
ONLY A SUGGESTION by Evoe	334
PLANNING A LA CREOLE by Harvey O'Connor	335
CARTOON by Fred Wright	336
WORLD EVENTS by Scott Nearing	345

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NOTES FROM THE EDITORS

Here is a rundown on forthcoming MR Press books:

American Radicals: Some Problems and Personalities, edited by Harvey Goldberg, is now through the page-proof stage and will be ready for distribution about the end of January. See back cover for table of contents.

The Political Economy of Growth, by Paul A. Baran, is about to go into page proofs and will be ready approximately a month after *American Radicals*.

The Chinese Economy, by Solomon Adler, is about to enter the production process and should be completed some time during the spring.

The Theory of Capitalist Development, by Paul M. Sweezy. This is a reprint and should be ready for distribution by the time this issue of MR reaches you.

Let us repeat what we have said before, that for us this is a very large publishing program which will strain our financial resources to the limit. Its success depends on your cooperation—both as buyers of the books and as salesmen of the books. Please consult the list of republication prices

(continued on inside back cover)

AMERICAN FOREIGN POLICY

Now that the smoke has somewhat cleared away and the dust has begun to settle, we can see developing a curious situation in the realm of American foreign policy.

On the one hand, there are the anguished laments and dire warnings of the Anglophiles and Francophiles, with the brothers Alsop and Walter Lippmann well out in front. According to these Cassandras, the United States has insulted and weakened its best friends for the sake of an unrealistic moral attachment to the principles of the UN and to win the ephemeral favor of unreliable neutralists. The sad consequences of this policy, if carried to its logical conclusion, will be to destroy the Atlantic alliance, boost Nasser's pan-Arab imperialism, forge a Moscow-Cairo axis, and open the whole Middle East to Soviet penetration. The proponents of this view have no difficulty in citing facts in support of their contentions: in Britain, the Tory party is seething with anti-Americanism; Nasser is more firmly in power in Egypt than ever; and Soviet stock has gone up not only among Arabs but throughout the colonial and semi-colonial world.

In this menacing situation, the Eisenhower administration manifests the most astonishing complacency. "President, Dulles Express Optimism on Mideast Peace" says the headline in the *New York Times* over the story of the first Eisenhower-Dulles meeting after the Secretary of State's recovery from his recent operation. And the accompanying picture shows the two men obviously in the best of spirits, with Mr. Dulles looking like a cat that has just swallowed a very large canary. Is it blindness or invincible stupidity that accounts for this cheerful optimism in the face of impending disaster? The viewers-with-alarm, unable to answer this question that never leaves them, fluctuate between despair and rage as they contemplate the humiliations and defeats that lie ahead.

On the other hand, we find an almost equally vocal segment of opinion which holds that American policy in the last few weeks has scored notable triumphs and now stands at the threshold of unprecedented opportunity. By opposing the Anglo-French invasion of Egypt in the UN, according to this view, the United States has not only saved the world body and strengthened its peace-making potential, but has at long last purged "the leader of the free world" of the taint of colonialism and set the stage for a triumphant world-wide

struggle against a Communism morally compromised by Soviet intervention in Hungary. In the words of Vice President Nixon, speaking on December 7th before an august assemblage of business tycoons: "The United States had met the test of history. The United Nations had been saved. The rule of law had been upheld—the same law for the powerful and strong as for the weak and defenseless. . . . Because we took the position we did, the peoples of Asia and Africa know now that we walk with them as moral equals, that we do not have one standard of law for the West and another for the East. They know, too, that the United States has no illusions about 'the white man's burden' or 'white supremacy.'" And here again there is no lack of supporting facts: the UN *has* been strengthened, and for practically the first time since the death of FDR there has been a perceptible rise in the level of the world's reservoir of goodwill for the United States.

Which of these two diametrically opposed views is correct? Is the administration as idiotic as its critics contend, or is it perhaps right to feel well satisfied with what has been accomplished during this eventful autumn of 1956?

These are obviously important questions, but they cannot, in our judgment, be answered unless we are prepared to leave the ideological plane on which American political debate is customarily conducted, and examine the underlying realities of interest and power. For it is after all these underlying realities that determine the course of events—not, to be sure, independently of ideologies but to a large extent through shaping ideologies. If we take a serious look into this subsurface realm, we shall see that the administration's attitude is far from irrational and that new and enticing vistas are indeed opening up to American policy-makers.

The decisive fact is that by their almost incredibly ill-conceived attack on Egypt, Great Britain and France dealt their own position in the Middle East and North Africa a knockout blow. In the traditional language of diplomacy, a power vacuum now exists in that whole area. (What this really means, of course, is that a region has something of economic or strategic value to offer and that the countries occupying the region are not advanced enough to exploit their own resources or strong enough to defend their territory against the incursions of the big powers.) The United States is in a position to fill this vacuum, and the basic policy question now facing Washington is the agreeable one of how to execute this maneuver with minimum costs and maximum profits.

What are the problems involved? Can they be solved? By what means? These are the questions which in one form or another must be occupying the Washington planners. Let us have a look of our own

and see what kind of answers they may be reaching.

The first problem—that of securing the cooperation of the British and French in an undertaking which they would normally fight against to the last ditch—is almost no problem at all in the uniquely peculiar conditions that have resulted from the Egyptian crisis. By attacking Egypt, Britain and France irrevocably undermined their position in the Middle East and North Africa. They remain there at all only as protégés of the United States: should this protection be removed, they would be immediately set upon from all sides (as the French already are in Algeria) and it would be only a matter of time until they would be thrown completely out (as the French already have been from Indo-China). It follows that whatever the British and French can hope to save will depend on the generosity of the United States, and the extent of this generosity in turn obviously depends on how well and loyally they help the Americans to get established. But this is not all: with the Suez Canal closed and the pipeline from Iraq to the Mediterranean sabotaged, the British and French economies are wholly at the mercy of the United States, both for oil and for dollars to pay for oil. The attack on Egypt, in short, deprived Britain and France of all bargaining power, not to mention fighting power, vis-à-vis the United States. From now on, they will have to work for what they get, and they have no reason to expect to be paid at fancy rates.

From Washington's point of view, this situation is so favorable as to present an almost embarrassing plethora of alternative possibilities. How far should the big British oil companies be squeezed in Iraq and around the Persian Gulf? Is the 40 percent interest which the American companies took in Iran for the State Department's share in overthrowing Mossadegh enough, or might it not be more expedient (even for the British companies themselves!) to have the Americans in a majority position throughout the region? France will obviously have to back down in North Africa, but should French interests be taken over altogether, or would it be enough for the Americans to nail down what some sources believe to be the fabulously rich oil resources of the Sahara? These questions, and many more like them, will require a good deal of thought and planning in Washington and New York, but it is doubtful if they will cause much loss of sleep. And from our present point of view, we need not be concerned with the details: the important thing is to know that

* The handwriting on the wall can be read very clearly in a *New York Times* headline over two dispatches from Morocco and Algeria on November 27th. "North Africa Leans to U.S. As French Influence Fades," says the main head, and two subheads laconically proclaim: "Morocco Expects Aid" and "Tunisia Is Receptive."

from now on whatever the British and French retain in the Middle East and North Africa will be on sufferance and in return for services rendered.

There are two other fundamental problems which Washington will have to solve in order to get firmly established in North Africa and the Middle East, and to get the most out of the region in terms of power and profit. One is to secure friendly and cooperative regimes in the region itself; the other is to prevent the Soviet Union from moving in. They are obviously closely related but for the sake of clarity must be dealt with separately.

Of the local regimes, by far the most important, of course, is the Egyptian. If a friendly and reliable government could be securely installed in Egypt, the rest of the Arab countries would hardly give any trouble at all. Turkey and Iran are already loyal satellites, and Israel seems destined to become increasingly an American ward. The key question is thus Egypt. Can Nasser be won over or overthrown? After all the nasty things that have been said about him in recent weeks, and now that he is more firmly in the saddle than ever, it might be thought that the answer is emphatically in the negative.

Our guess, however, is that this is a misreading of the situation. It is important to note that at no time have Nasser and his allies in the other Arab countries undertaken any actions injurious to American interests, and this in spite of the fact that it was Washington's abrupt withdrawal of an offer of financial assistance for the Aswan Dam which precipitated the whole Middle East crisis last summer. Americans own almost no stock in the Suez Canal Company, so that nationalization was of no direct concern to Wall Street. Moreover, inspired stories in the American press a fortnight or so before the Anglo-French attack made it very clear that Egypt was working hard on a deal which would give American shipping and oil companies a stake in the new legal status of the Canal as an Egyptian enterprise.* Probably even more significant is the fact—which has been surprisingly little commented upon since the crisis reached its acute phase—that Syria, which is Egypt's closest Arab ally and has often been called a Soviet satellite, blew up the Iraq Petroleum Company's pipeline to the Mediterranean but took no action whatever against the American-owned pipeline (the so-called Tapline) which originates in Saudi

* Here is the headline which appeared over a Washington dispatch in the *New York Times* of October 4th: "Suez Investment Under Discussion by Group in U.S. Oil and Shipping Executives Would Put \$1,500,000,000 Into Canal Improvement. Voice in Control Asked. Right to Collect Tolls Among Concessions Sought—Talk With Egyptian Slated." From other stories which appeared about the same time, it was clear that the initiative for such schemes had not come entirely, and perhaps not at all, from the American side.

Arabia and also traverses Syrian territory. It would appear that Nasser and his friends, despite their anti-Western ideology, have always been able to distinguish clearly enough between London and Paris on the one hand and Washington on the other. And now that American policy has successfully forced the withdrawal of foreign troops, Nasser is positively bubbling over with friendship for the United States. This is the gist of a report by Osgood Caruthers from Cairo which appeared in the *New York Times* of December 11th. A few excerpts tell the story:

Egypt's relations with the United States are at a high point today. . . . The government of President Gamal Abdel Nasser has gone all out to express its appreciation for the role the United States played in influencing Britain, France, and Israel to withdraw their troops from Egypt. . . . The Egyptians and their supporters in the Arab world are dangling before the United States the tempting prize of enhanced prestige and the opportunity to take over the political zones of influence once held and now lost by the British and French.

Washington, for its part, is not quite prepared to accept Egyptian protestations at face value. After all, Egypt did buy arms from the Soviet bloc, and it was Dulles who masterminded a plan of economic warfare against Nasser after the nationalization of the Canal.* But Washington appears to hold no grudges and to be ready to allow Nasser time and opportunity to prove his good faith. *Time* magazine's comment seems to sum up the attitude nicely:

What about Nasser? His record of impetuous, harmful demagogic action still stands. But in the light of all that has happened since October 29, the U.S. does not, as of now, accept the British-French thesis that Nasser must go. If he is toppled, who will replace him? Would this replacement enhance or detract from the much-needed stability in the Middle East? The U.S. is willing to grant him some positive credit if he sticks by his newly announced devotion to the U.N. and international order . . . , will take a fresh, hard look if he goes back to dabbling with the Russians and Russian volunteers. (*Time*, December 3, 1956.)

In plain language, the United States is quite willing to accept Nasser as a satellite and protégé. Nor is there much mystery about what "a fresh, hard look" implies. As *Time* explained the following week (December 10) in relation to possible recalcitrance on the

* On this, see "What Every American Should Know About Suez," MR, October 1956, pp. 193-195 (this Review of the Month is now available in pamphlet form at 25 cents a copy).

MONTHLY REVIEW

part of the Syrian government, "In both Washington and Paris last week, the word Guatemala popped up in speculations about Syria—meaning that a more pro-Western government might be encouraged to seize power." The formulation is delicate, but the sense is unmistakable.

All in all, one can hardly avoid the conclusion that Washington and Cairo are moving toward a definite understanding—to their mutual profit and at the expense of the British and French. If all proceeds "according to plan," we should expect to see early action on some of the big deals that have so far remained largely in the realm of talk—the Aswan Dam, improvement of the Canal, probing the desert for oil, and so on.

This brings us to the last of the three problems mentioned above, the threat of Soviet penetration in the Middle East.

Despite all that has been written on this subject in the last few weeks, much of it extremely alarmist in nature, we are inclined to the view that for the short to medium run which is relevant to the shaping of American policy, this problem is not likely to be a very serious one. We base this judgment on three assumptions which seem to be reasonably well grounded in fact:

First, the Soviet Union is in plenty of trouble nearer home than the Arab world. To forestall worse disasters than Hungary—indeed to avoid the disintegration of the whole Soviet bloc—the Russians are going to have to devote whatever economic surplus they can mobilize to helping their socialist neighbors and improving the lot of their own people. For a long time to come, there is not going to be any margin for large-scale experiments in economic aid to the backward countries outside the socialist orbit. Under these circumstances, the Russians are unlikely to attempt any spectacular power plays in an area in which there would be no early hope of being able to build up a real position of strength.

Second, the ruling classes in the Arab world know which side their bread is buttered on. As long as their main fight was against Anglo-French imperialism, and the United States sided with the British and French, the Arab rulers were willing to use Soviet support despite its obvious long-run threat to their economic and social interests. But the situation is altogether different now. The British and French are out; the Arab rulers think they can do business with the Americans; and what the Russians have to offer them has few attractions and many dangers.

Third, the Arab masses, who are doubtless emotionally much more pro-Soviet than their masters, are too backward to be able to sustain a disciplined revolutionary movement with a chance of coming

to power in the next decade or so. Given the hostility of the ruling classes and the immaturity of the masses, it follows that there is not now, and will not be in the near future, any fertile social soil for the seeds of Soviet influence to grow in.

If these assumptions are even approximately correct, they suggest (1) that the USSR is entering a sort of neo-isolationist phase of development (it is in this light, incidentally, that the Tass statement of December 8th explicitly cancelling any threat to send "volunteers" to Egypt must be interpreted), and (2) that in the new situation created by the Anglo-French attack on Egypt the Arab world is a good deal less susceptible to Soviet penetration than it has been in the recent past. For both reasons, we must conclude that the American takeover of North Africa and the Middle East is not likely to meet with serious obstacles emanating from the Soviet Union.

This does not, to be sure, solve all problems in the region. There is, for example, the tangled set of issues involving Syria and its northern and eastern neighbors which have threatened to erupt into open war on more than one occasion in the last few years. It is the fashion to describe these problems as due to Soviet machinations and red leanings in Syria, but actually, as all who are really familiar with the area know, the heart of the matter is the drive of the British-backed Nuri es Said government in Iraq to take over the whole of the "fertile crescent" and thus to achieve a dominant position in the Arab world. It is more than a mere accident that the Americans have recently played down the Syrian red scare—a sure sign that Washington has no serious quarrel with Damascus; and, as we noted earlier, the Syrians were careful not to molest the American-owned Tapline even at the height of the Egyptian crisis. It seems clear that Colonel Serraj, who is widely supposed to occupy a position in Syria similar to that of Nasser in Egypt, is no less willing and anxious than his Egyptian counterpart to play ball with Washington. On the other side of this conflict, there can be little doubt that the wily old intriguer, Nuri es Said, is losing his grip and can hardly hope to survive the eclipse of his British sponsors. It may take some time, but it seems not unreasonable to assume that the Americans will be able to manage this problem without too much difficulty.

The Arab-Israeli problem is of an altogether different nature, and there seems to be little likelihood of its being solved in the near future. But if past experience is any guide, this will be more because of American policy than in spite of it. Too much harmony in an imperial domain is not good for the overlord: the old Roman maxim of "divide and rule" is still an indispensable maxim of imperial statecraft. In keeping with this principle, the United States as the new overlord of the Middle East can be expected to use the Arab-

Israeli conflict for its own purposes, damping it down or fanning it up as circumstances may require, at one time keeping the Arabs in line by the threat of Israeli military action (which the Arabs have every reason to fear), at another time bringing the Israelis sharply to heel as a sop to this or that Arab personality or sensibility.

We are not arguing that everything will be plain sailing for the Americans in North Africa and the Middle East. There are enormous difficulties to be overcome, and *in the long run* we have no doubt that peoples of the region will forge a new, growingly effective, and eventually victorious anti-imperialist movement.* But that time is still far off, and in the meantime it appears that American imperialism, thanks largely to the well-nigh unprecedented stupidity of London and Paris, is to have a golden opportunity to exploit a vast domain with great potentialities in the way of absorbing surplus capital and producing superprofits. Surely the Eisenhower administration, and even more the Big Business interests it represents, have every reason to be satisfied with the results of American foreign policy during the last two months. To paraphrase Sir Winston, never has so much been won by so few with so little.

But this is not even all. If Britain and France by their attack on Egypt dealt themselves a knockout blow as major imperialist powers, it is no less true that the Soviet Union has seriously crippled itself in the international arena by its disastrous Hungarian policy. And in both cases the United States has been the chief gainer.

This is obviously not the occasion to attempt to uncover all the implications and ramifications of the Hungarian crisis, but it can hardly be denied by anyone that if Hungary had never occurred, if the process of de-Stalinization had proceeded smoothly throughout the socialist world, if the Soviet Union's "socialist commonwealth" statement of October 30th had been faithfully implemented—if these things had happened instead of the bloody intervention of Soviet troops in Budapest, the impact of the Egyptian crisis on the West would have been considerably changed. In particular, the Left would have been strengthened and unified, and neutralist sentiment would have been stimulated far beyond what has actually happened. Trends of the last three years, in other words, would have been sharply *accentuated*. The United States, far from being able to treat Britain and France as securely in the bag, would have had to face the

* It is possible that the forerunner of this movement of the future can already be discerned in the Baath Al Arabi Al Ichtraki or party of Arab socialist resurrection which stands for anti-colonialism, Arab unity, and the third-force principle in international affairs, and which is already a force to be reckoned with in Syria, Iraq, and Jordan. But our knowledge of this movement is too limited at present to permit any firm opinion about its current activities or future potentialities.

constant threat of their seeking an accommodation with the Soviet Union and the other socialist countries within the framework of a united and independent Europe. Under these circumstances, the new conquests in North Africa and the Middle East would have been much less secure and would have been at least partly balanced by losses in Europe.

Instead, what do we see? On the continent, wherever Communist Parties have been strong, the Left is facing an agonizing crisis, its capacity for effective action paralyzed. In Britain, where the Labor Party emerged from the Egyptian affair strengthened, there is no tendency in any segment of the population to seek an accommodation with the Soviet Union and certainly won't be as long as the Red Army occupies foreign countries. The trends of the last three years which might have been accentuated have been reversed. We are at least half way back into the cold war, and all of Western Europe, at the very same time that it is losing its imperial heritage to the United States nevertheless feels obliged to huddle up to the American giant for protection against the even more menacing giant from the East.

In this situation, American policy has acquired several new degrees of freedom. The Soviet Union is in trouble, pinned down in Eastern Europe, with virtually no room to maneuver as far as Western Europe is concerned. And the United States, as its actions on Hungary in the UN demonstrate, has no intention of letting the Russians off the hook. At the same time, Washington seems to understand now—as it certainly did not in the Truman-Acheson period or even in the earlier Eisenhower-Dulles years—that there is no hope of “liberating” Eastern Europe or “rolling back” the Soviet power to the Russian borders. American policy is therefore aimed at weakening the Soviet position as much as possible, prolonging the crisis, and building up new American positions of strength wherever feasible. All of which is wiping out the gains the Soviet Union made during the period since Stalin's death and ensuring a long tenure for American influence in a divided Europe.

Finally, we come to the Far East, the area in which American policy has met its most serious reverses in the period since World War II. Here, too, recent events have brought gains and opened up new possibilities. By forcing the Anglo-French withdrawal from Egypt, the United States has gained a genuine measure of respect in India and the other uncommitted countries. At the same time, the Soviet Union's increasing preoccupation with domestic and Eastern European affairs means that the Asian countries will be able to count on little economic help from that quarter and will have to look increasingly to Washington. We venture the prediction, the accuracy of which will already be known to the reader by the time this reaches

MONTHLY REVIEW

him, that the forthcoming visit of Nehru to the United States will be unusually cordial on both sides and in fact will mark the beginning of a real rapprochement between the two countries. It is too early to speak of a Washington-Delhi axis, but if the American government plays its cards well such a development is by no means impossible in the relatively near future.

But it is in respect to China that the most interesting possibilities are beginning to emerge. The Chinese, of course, have all along been anxious to settle outstanding differences with the United States, and recent events have doubtless made them more so. They will probably find economic assistance from the Soviet Union harder to come by than it has been, and in any case the desirability of unrestricted trade with the West grows with the development of the Chinese economy. Moreover, the Russian performance in Hungary must have made the Chinese wonder about the wisdom of being too closely dependent on the present Soviet leadership. We are, of course, aware that the Chinese have lent their full support to the second Soviet intervention in Budapest,* but they certainly know that Moscow's Hungarian policy as a whole has been a disastrous failure, and they must have reflected that blunders of this magnitude are no mere accident and can happen again, perhaps at their own expense next time.

All in all, then, the receptivity of Peking to American overtures must be assumed to be greater than at any time in the past. The big question is whether there is anything in the present situation to make it easier for Washington to give up its rigid intransigence of the last six years and get down to the serious business of bargaining with the largest and most powerful country in Asia.

We think the answer is yes. Washington's whole international position is vastly stronger than it has been, and the strong can easily do things that might be interpreted as a failure of nerve coming from the weak. Moreover, the importance to the United States of reaching an understanding with China far transcends the scope of Sino-American relations proper: it is likely to be, as Walter Lippmann recently argued, the key to our relations with all the ex-colonial and semi-colonial countries. "We shall not be able," writes Mr. Lippmann, "to go far side by side with India toward a new relation-

* Valuable light on this is cast by a letter from Basil Davidson in the *New Statesman* of December 8th which is in the main a sharp indictment of Soviet policy (Davidson was in Budapest during the uprising): "The Chinese . . . believe that white terror had won control of Budapest for 48 hours before the second Soviet attack: they, after all, had eight of their Legation staff assaulted (one so badly as to need amputation of a leg), and many of their students insulted." This suggests that Peking's attitude was by no means the mere rubber stamp of Moscow's that it is pictured to be in the Western press.

ship between the West and the East until there is a settlement which stabilizes in a peace treaty the relations between Communist China and the United States. There . . . lie the crucial issues between the United States and the Afro-Asian countries.” (*New York Herald Tribune*, December 4, 1956.) Not *all* the crucial issues, we might add, but certainly some of the most important of them.

What this means, essentially, is that a new China policy including of course recognition of the Peking government and its admission to the UN, is indispensable if the United States is to realize the possibilities which the new situation has opened up to it. Under these circumstances, will the decisive elements of the American ruling class continue to allow their hands to be tied by the wretched China Lobby crowd and its Congressional hangers-on? We should know before very long, for the problem is too important and has too many ramifications to be postponed indefinitely.

In closing this rapid survey of America's new international position, one point needs especially to be emphasized. We do *not* maintain that the United States has already developed a new foreign policy to fit the new facts. It is much too early to be able to form a judgment about this. What we do maintain is that the situation has radically altered and that the possibilities open to the United States, the room for maneuver, the attainable rewards are all incomparably greater than anyone would have dreamed possible two short months ago. But this fact should make us extremely cautious about the conclusions we draw. The changed situation was brought about by almost simultaneous blunders of truly gargantuan proportions by France and Britain on the one hand and the Soviet Union on the other. But if the rulers of these countries can act so egregiously against their own best interests, so can the rulers of the United States. What's more, ours have done it, lots of times, in the short space of one decade. Whether history will now repeat itself, or whether the American ruling class will rise to the opportunity which has been thrust upon it, only time will tell.

(December 15, 1956)

FRAGMENTS FROM F. D. R. — Part I

BY EDGAR SNOW

I. An End to Colonialism Foreseen and Advocated

On February 24, 1942, I was in Washington trying to wangle a priority to fly over to Cairo on a clipper ship as a war correspondent for the *Saturday Evening Post*—though I hadn't yet finally decided whether to go overseas in that role or stay home to work for Air Force intelligence. It depended partly on whether I was able to get a visa to enter Russia, for I believed then that important work could be done there for *Post* readers. While I was talking to Wayne Coy, one of the President's administrative assistants, word came to his desk that Mr. Roosevelt would see me that afternoon. He then let me detain him for nearly an hour, talking about the Far East, from which I had recently returned after a dozen years, mostly spent in China.

Before the interview was over, Mr. Roosevelt settled my dilemma. He told me to take the *Post* assignment and go to Russia; it was an opportunity of importance not to be ignored. I followed his advice, and Harry Hopkins soon secured a Soviet visa for me. At the President's request I wrote to him while I was abroad, and when I was home on leave I called on him once more, on May 26, 1944. Again he gave me generously of his dwindling fund of time. Then I went to Europe and did not see him until March 3, 1945, the day after he made his report to Congress on the Yalta Conference. He was in a serene mood and looked very well, I thought. Yet shortly afterward he went down to Warm Springs and in a few hours was dead.

At the time Robert Sherwood was writing his book, *Roosevelt and Hopkins*, I had lunch with him one day in New York. I was surprised when Sherwood asked, "What did the President say to you that day in February, 1942, when he kept you so long in his office? I understood he was talking to you about the Far East."

"How did you know I was there?" I asked in turn.

"I had an appointment to see the President and you horned in on it."

Sherwood was curious to know whether F.D.R. had expressed any explicit ideas on our post-war policy concerning colonial coun-

Edgar Snow, one of America's best-known foreign correspondents, is the author of Red Star Over China, People On Our Side, and other books.

tries—South Asian in particular. He said he had assumed that he would find something on the subject in Hopkins' papers, but when he got down to examining them there was very little. It seemed to be one thing they never talked about; if they did, Hopkins wasn't sufficiently interested to leave any record of it. I told Sherwood that I would let him have my notes on my conversation, but as I was about to leave for Europe at that time I was not able to keep my promise at once. When I could do so it proved too late for him to use my material in his book.

To this day there remains a paucity of information about Mr. Roosevelt's personal sentiments on Asian colonies, as well as on several other topics referred to in this and a further article which will appear in a subsequent issue of MR. The text is part of a transcript of about 12,000 words which covers all my notes on my off-the-record talks with F.D.R. Most of it is now of purely private interest. The following brief excerpts will not begin to fill the hiatus noted by Mr. Sherwood, but may at least contain a few suggestive lines.

We began at once to talk about China.

"My grandfather Delano," said he, "had an exporting firm out there in Hong Kong for years, and he came to know the Chinese very well, and to like them. But he always had an intense dislike for the Japanese. I'm told the Chinese like us. They do? That's fine. Do they get along with us better than with the British?"

I said I thought they distrusted us less than they distrusted the British (in those days they surely seemed to!). This was probably because we hadn't started any wars against them or taken their territory or led in appeasing Japan. At one time we had even tried to keep Japan out of Manchuria. Still, we had never given up extraterritoriality, I pointed out. In Kuomintang and Communist propaganda alike we were one of the "imperialists."

He made a brushing-aside motion with his arms and said: "We should have got rid of all that long ago. Back in 1933 I did tell Secretary Hull I thought it was about time for us to give up extraterritoriality in China. Hull said he favored it but couldn't go over the heads of his advisors in the 'department.'" He added with a sardonic grin, "Of course I didn't know enough about it to oppose Hull and the whole State Department!"

Then he ran through a number of rather odd questions such as: Did I think the Chinese would eventually "absorb" the Japanese as a race? Did they readily intermarry? When a Chinese married a Japanese was the child more Chinese or Japanese? He talked along about the melting pot at work in Hawaii, where he had observed

that the Chinese produced the best-looking Eurasians. He supposed that Koreans must be something like the answer you got when you married a Chinese to a Japanese. What about the Koreans—would they support Japan in the war?

"Korea is something I have to make a decision about very soon," he said. "How should we handle the Koreans?"

I said it would help our cause a lot in Asia if we made an early unqualified guarantee of postwar Korean independence. It was one colony we could free without hurting anybody but Japan. I was glad to hear that he had already decided against a trusteeship or mandate or anything like that.

"Yes," he answered emphatically. "Japan is going to have to give up her colonies, that's the least she can expect. They'll have to find some other way to take care of their overpopulation. That ten percent overflow helped drive Japan to war, and it will probably still be there after the war. Then *we'll* have to face it—what to do with that overflow."

We jumped to India, and I glimpsed how conscious he already was of assuming the burdens of the old *Pax Britannica*. India was then threatened by Japanese invasion on the one hand, and by rebellion on the other. He speculated about how the whole Indian people could be brought into the war as allies if given a role as equals. "You know," he said, "I'm very interested in what happens to India now because I think India is bound to be *our* job some day. I am going to have to do something about it. . . . I don't know what Winston really thinks about the whole thing, but when I spoke to him during the (Atlantic) Charter meeting I got the idea he wanted to do something for India but didn't know how."

Asked for an opinion, I said I didn't see how we could fight a war for the Four Freedoms in Europe only, and expect colonial peoples to get excited (about our cause). After all, Japan was at least promising Asia for the Asiatics and talking freedom from the white man. If the Allied powers would pledge independence for specific dates after victory to all the colonies overrun by Japan we could get some real help from the Asians. I had some concrete ideas about how such promises could be exploited to military advantage by supporting partisan warfare; I had just written an article about it. Somewhat to my embarrassment (his time!), he insisted I give him a resume of the piece—not yet published. He seemed intensely interested and asked for a copy of the script to send to Bill Donovan.

Roosevelt must have earlier argued with Churchill at some length about India because he now cited, in considerable detail, what

was obviously the Prime Minister's Tory case against granting independence in substance. Would you set up a government there with guarantees for existing rights and privileges of all the castes, various religious groups, princes, and so on? Or would you just give all the people of India equal rights and the franchise under a constitution in a democratic framework something like our own early confederation?

I thought the confederation idea best for solving Hindu-Moslem differences if it left the Indians free to work out details. India's problem was how to plan its way out of, rather than how to perpetuate, obsolete religious and feudal institutions which would have collapsed long ago without British support. The longer the British held onto power the more likelihood that the Indians wouldn't be able to resolve their religious differences without a catastrophe.

"I'll tell you something else," the President broke in. "I think that not only have we got to help get rid of religious bigotry and its backward influences in India, we have also got to get rid of the most reactionary religious power in our own country. Before long we are going to have to eliminate all church control in education. That belongs to the past. *All* schools should be under secular control."

I remembered that one of his predecessors in the White House—Taft—had reversed that process in the Philippines. It was he who had returned to the Pontiff all the schools and estates which the Filipino Nacionalistas had seized from the Church.

"That was a mistake on our part," said F.D.R. "But the Filipinos can change that again if they want to when they get independence—and we're keeping our promise about *that*." Roosevelt was proud of our Philippines' decision and believed it was an example all Asians now respected and "expected the others (colonial powers) to follow." He continued:

We are going to have to tell our friends the (European) allies, that they must have faith in the Orientals and their ability to govern themselves. It is true not only of India and Burma and Indo-China but also of Java and Malaya and even New Guinea. Now the Dutch tell us . . . that they are going to give the people real power when they return. But what the Dutch and the British and the French mean when they talk this way is that they want a kind of "self-government" which will see the Europeans still sitting in the saddle a hundred years from now.

Snow, it almost seems that the Japs were a necessary evil in order to break down that old colonial system, to force the reforms that have to be made.

He tilted his cigarette holder and grinned. "Of course it's a shame it had to be the Japs—I guess I'm a little prejudiced against

them (a "little"—so soon after that "deed that will live in infamy")—but the Europeans couldn't see the handwriting on the wall."

Before I left, the President asked me whether I expected to see Nehru in India. I said I hoped to.

"Say hello to him for me. I don't know whether he has ever been to this country? No? Tell him I would like him to come over here. I want to talk to him." He lifted his head in the air and thought for a moment. Then he said, "Tell Nehru I would like to have him write me a letter and tell me exactly what he wants us to do for India." He paused and smiled and there was a twinkle in his eye. "He can get it to me through the diplomatic pouch," he added.

Till then we had never had an American ambassador in India. Our diplomatic agent or special representative had very recently arrived but was accredited only to the British raj, naturally. Roosevelt seemed to think he was not in close touch with Indian sentiment. He was anyway irked by his own lack of personal contact with the real leaders of India and—as the foregoing suggests—he wasn't above a little conspiring to get some private ammunition to use in his next argument with Winston.

I delivered the message to Nehru just before Churchill slapped him back in jail. I am not sure whether Nehru ever wrote F.D.R. as I never remembered later to ask. But I rather imagine it would have gone against Nehru's English public-school training to do so. While it was good cricket to rebel openly against the King-Emperor, he might have felt something underhanded or "disloyal" about writing secretly to a foreign potentate like Roosevelt, asking intervention in any way.

India was still on Roosevelt's mind when I saw him again in 1944. He said, "Churchill really wants to do something about India . . . but he can't overcome his old habit of thinking. He has that grandiose statement haunting him all the time—the one about not becoming His Majesty's first minister in order to preside over the liquidation of the 'empire'."

I have a strong feeling that when I last saw the President, in 1945, he specifically declared his intention to make it a cardinal plank in American postwar policy to extend the promise of freedom to all colonial peoples and to work for their orderly but speedy attainment of equality. But I have no diary note directly to support that. I may merely have got an impression to that effect during our discussion of *People On Our Side*, which contained an outline for a plan close to his own thinking as I felt it. The final chapter of that book—in a way its thesis—proposed that the United States sponsor

and help finance a series of planned withdrawals from foreign overlordship in Asia and ultimately in Africa—as the only alternative to a whole series of senseless colonial wars of national and social revolution. Anyway, I know F.D.R. emphatically liked that book. When his daughter Anna Boettiger came into the room, he introduced me to her as “the man who had kept him up half the night reading it on the *Quincy*” en route to Yalta.

Roosevelt certainly foresaw the liquidation of colonialism, along lines of our Philippines policy, as a logical consequence of World War II. While reminiscing about his travels in Africa, he remarked that he could not understand how anybody could justify the colonial set-up after seeing Nigeria. “It’s a disgrace to a nation to have people like those poor devils under its rule,” he said. “What a miserable looking lot of people they’ve got in Gambia!”

Lord Runciman had been telling him about the benefits of British rule in Africa. F.D.R. exclaimed, “You ought to be able to do something better for these wretched people after all the profit you’ve made out of them. Why don’t you put a little of it back in the country? Tell me, Your Ludship, how much do you suppose you have sent back to England for every shilling you put in here?”

Runciman made a quick mental calculation and came back coolly, smiling, “I should say it’s paid back about a pound on the shilling so far.”

“And the people,” Roosevelt replied, “certainly look it!”

(To be continued)

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A REPORT ON THE NEW POLAND

BY LEO HUBERMAN

The spirit of the “new Poland” was best illustrated for me at a meeting of workers which I attended in Warsaw. What was to have been a Plenum of the Polish Central Council of Trade Unions with 100 officials in attendance, was transformed into a general conference of 600 workers from all over the country. The rank and file took over the meeting, elected their own chairman, and then spent three days airing their grievances and presenting their demands.

Their grievances were legitimate—of that there was no doubt. The trade unions, it was plain, had been nothing but government departments highly bureaucratized, and dominated by the Party. Their concern was not for the defense of workers’ rights but for greater production. “The function of the trade union leader,” admitted one of the officials, “has been to transmit orders from management to the workers to work more.”

A delegate from the mine workers took the floor to make the following points:

(1) Trade union officials did not even know the rights guaranteed to the workers by law.

(2) The prestige of the trade unions was low—while everyone took into consideration what management said and what the Party said, no one paid any attention to the unions. They had no authority, and therefore commanded no respect.

(3) In those rare cases when a trade union official did attempt to defend the workers, the management and the Party would have him fired.

So it went, hour after hour. Complaints about low wages, injustices in the wage system, “old miners who cannot work any more do not get enough coal to heat their houses,” growing unemployment, low family allowances, the mishandling and waste of union dues. I have not seen, at a trade union meeting, so lively a discussion with so much rank-and-file participation since the early days of the CIO.

There was unanimous agreement that, in the future, the trade unions must be truly independent—both of the government and of the Party. No longer was the Party as an organization to be permitted to give orders—its influence was to be felt in the trade

Leo Huberman, co-editor of MR, wrote this article from Warsaw in late November.

unions only through the election to trade union posts of individual Party members.

There is little doubt that necessary changes will be made in the structure and power of trade union organizations in Poland. It is taken for granted that from now on the unions will perform their legitimate tasks: they will properly concern themselves with the defense of the rights of workers, problems relating to safety and health, the cultural and social welfare of their members.

Of far greater interest to the working class, and to the rest of the country, is the movement for Workers' Councils. This is new, unexplored territory, exciting the imagination of many because it seems to fit so admirably into the picture of democratic socialism which is the announced goal of the "new Poland."

I discussed the Workers' Councils movement with Leck Gozdzik, a remarkable young man who is the Party Secretary at the famous Zeran automobile factory on the outskirts of Warsaw. It was the workers' militia from Zeran, under the leadership of Gozdzik, which in the tense October days when the fate of Poland hung in the balance, gently but firmly cleared the street of hot-headed students and trouble-making hooligans. They kept order when it was most needed to prevent Poland from becoming another Hungary.

"The Workers' Councils," Gozdzik told me, "are to be organs of democratic management in the factory where the working force, through its elected representatives, will have a say. We feel that democratic management starts at the bottom, and will be effective only as it goes on up. The next step will be when the representatives of all motor car factories meet and form an organization on a higher level."

Gozdzik said that he preferred the name of workers' "self-government" rather than council, because it more precisely described the role of the new organization, since not only the manual workers in the factory were involved, but also the engineers, office staff, administrators, and even management. "Workers' self-government," he said, "will be the spokesman for the working force, but first of all its task will be to manage the factory. Such power could not be given to the trade unions since problems of management are not within their province."

What specific tasks would the workers' self-government council perform? It would concern itself with such questions as how to put into operation machinery now standing idle, how to increase profits, and the setting of time quotas for performing certain jobs. In consultation with the trade unions, it would determine how much of the profits would go to the workers, how much should be invested

in new machinery.

I asked how all this would fit into the program of the central plan for the country as a whole. He said that matters pertaining to small investment, and problems within the factory would be decided by the workers' councils; those pertaining to larger investments would, of course, be determined by the central plan. "The council in the factory tells the planners what the factory can produce, and the central planners take that into consideration."

The movement for workers' councils is a mass movement after a period of many mistakes, Gozdzik said. The danger is that the workers have not discussed it thoroughly; they are keen on the idea of self-government without knowing what it will be like. Since they have had no experience with such councils, the plans must be flexible; when difficulties arise—as of course they will—the workers may be disenchanted. He stressed the fact that the exact working out of the councils is not at all clear yet—they are in the formative stage. "They are," he said, "simply a reaction against previous years of not being allowed to speak out," and he drew his hand across his throat in a gesture signifying his meaning.

Much of what is happening in Poland today in every walk of life is "simply a reaction against previous years." There is a tendency to regard *everything* that happened "in the Stalin era" as wrong, as something to be avoided in the new Poland. This is, of course, understandable but not always wise. The danger can be seen in the case of an economist whom I heard arguing that central planning was a form of Stalinism which should be abolished and in its place should be substituted a totally new form of coordinated workers' councils. Here, then, was Gozdzik, with his roots in the working class and an ardent advocate of workers' councils, nevertheless aware that no miracles were to be expected from the councils; and on the other hand, here was an economist to whom it should have been obvious that central planning is inherent in a socialist society, arguing for workers' councils as a substitute. Needless to say, the economist to whom everything connected with the previous period was now anathema, was formerly an ardent Stalinist.

The revolt against Stalinism did not begin when Gomulka, with the support of the whole Polish people, stood up to the Russian delegation in October. It had begun earlier with the "doctors' plot" and the rehabilitation of Noel Field. These were big eye-openers. People began to ask questions, to argue that it was not a matter of Yagoda, Beria, and so on, but of the system itself. Then in November 1954, there was sharp criticism of the Party at a meeting of "central activists." This was followed by activity on the intellectual front with articles in the press criticizing "Zhdanovism" in

the field of science and "socialist realism" in the field of literature.

With the Twentieth Congress and the report by Khrushchev, the process of democratization no longer proceeded at an alternating pace of walk and trot but broke into a full gallop. The literary journals and student papers criticized as never before, and the newspapers became lively with muckraking articles on government excesses and stupidities.

Gomulka, in his famous speech made at the Eighth Plenum of the Central Committee of the Polish United Workers Party on October 22, 1956, described the effect of the Twentieth Congress in these words:

The Twentieth Congress of the CPSU stimulated a turn in the political life of the country. An animating sound current went through the Party masses, the working class, the entire community. People began to straighten their backs. The silent, enslaved minds began to shake off the poison of mendacity, falsehood, and hypocrisy. The stiff clichés, previously predominant on Party platforms and at public meetings, as well as in the press, began to give place to creative, living words. Sometimes a false note was perhaps heard, but it was not this note that gave the general direction. There came a powerful wave of criticism of the past, the criticism of violence, distortions, and errors by which no sphere of life had been unaffected. Everywhere, above all, at Party and general meetings in work establishments, the demand was voiced for an explanation of the cause of evil and for appropriate measures to be taken with regard to the people bearing main responsibility for distortions in economic and political life. Above all, the working people wanted to know all the truth, without any embellishments and omissions.

The "powerful wave of criticism of the past" to which Gomulka referred continues unabated. Having for so many years been afraid to speak openly, the Poles now glory in their new freedom and make the most of it in the press, at meetings, in Party discussions, in government bodies.

The chief target of their criticism is the socialism of the Soviet Union. The most vehement among them argue that such a socialism "without freedom, without equality, without morality," as a leading journalist characterized it, is not socialism at all. What they want for themselves, they insist, is a return to power *by the people for the people*. Not for them, they assert, the Soviet style of dictatorship *in the name of* the proletariat, but the real thing—the dictatorship of the proletariat.

The Poles insist that their own socialism must be and will be democratic. In the familiar Party phrase "democratic centralism,"

MONTHLY REVIEW

their emphasis is on the word *democratic*. Talk to them about the economic progress of the Soviet Union, its great technical advances, its rapid industrialization, and they remain unimpressed—as one Party intellectual told me, “If you demoralize a people, a Party, then you can’t build real socialism, no matter how great your material achievements.”

Their scorn for the socialism of the Soviet Union is shown in the joke now current in Warsaw: It used to be said that the socialist countries march along, with the Soviet Union at their head. Now they march along with the Soviet Union on their necks.

As Communists, then, the Poles think of the Soviet Union as a backward state. As Poles, however, they feel they must maintain their alliance with the Soviet Union. Friendship with the USSR is for the Poles a simple matter of political geography. They are afraid, and rightly, of the revival of German militarism and what that could mean for them.

In their determination to win their political independence from the Soviet Union, to secure for themselves political sovereignty, and to take their own road to socialism, the Poles would have fought to the last man. But these goals now having been attained, responsible government heads constantly remind the people (and they do need constant reminders) that Polish-Soviet friendship must be maintained. Thus Gomulka, in his speech of October 22 said the following:

The road of democratization is the only road leading to the construction of the best model of socialism in our conditions. We shall not deviate from this road and we shall defend ourselves with all our might not to be pushed off this road. And we shall not allow anyone to use the process of democratization to undermine socialism. . . .

The Party and all the people who saw the evil that existed in the past and who sincerely desire to remove all that is left of the past evil in our life today in order to strengthen the foundations of our system, should give a determined rebuff to all persuasions and all voices which strive to weaken our friendship with the Soviet Union.

If in the past not everything in the relations between our Party and the CPSU and between Poland and the Soviet Union shaped in the manner it should have shaped in our view—then today this belongs to the irrevocable past. If in one or another field of our life there still are problems which require settlement—then this should be done in a friendly and calm manner. For such conduct should characterize the relations between the parties and states of the socialist camp. And if there is anyone who thinks that it is possible to kindle anti-Soviet moods in Poland then he is deeply mistaken. We shall not allow the vital interests

of the Polish State and the cause of building socialism in Poland to be harmed.

The problem the government faces in this respect is that no one needs to try "to kindle anti-Soviet moods" in Poland. The anti-Soviet mood is now deeply rooted and with free speech and a relatively free press, it is difficult to keep in hand. The student newspaper *Po Prostu* (Plain Talk) has on several occasions been censored for overstepping the bounds on this touchy subject. The Poles love their political jokes and one now circulating points the moral: What is the difference between the press of Yugoslavia and Poland? In Yugoslavia you can criticize the Soviet Union but not the government; in Poland you can criticize the government but not the Soviet Union.

On the question of winning their political sovereignty, the whole nation was unified; on the question of building socialism this is not the case. The well-informed editor of a Warsaw newspaper told me that there aren't more than 2 or 3 percent of the people who approve of capitalism as against roughly 70 percent who approve of socialism. But the remaining 25 percent are apathetic or disillusioned—they say "go to the devil with all your isms, we just want a decent life."

This margin of disillusionment—will it grow or shrink? That's the important question for Poland. The answer depends, in large part, on whether or not the economic problems are solved.

Life is hard in Poland. In the war six million people were killed, most of the big cities were destroyed, and the factories were stripped. The job of rebuilding presented immense difficulties, but real progress was made. The Six Year Plan (1950-1956) was counted on for further, more rapid progress. But that was the period of the cold war, then the Korean War. Military expenditures, superimposed on the struggling economy, added to the already heavy burdens. They drained away skilled workers, and much-needed materials; they diverted top administrative personnel from their jobs. The Plan did not, therefore, bring the better conditions which had been anticipated. The people had reason to grumble.

There is a shortage of raw materials and of administrative ability in Poland. Agriculture lags behind—and the current movement against collective farming won't help to solve the problem. Coal is the big export—and there is a shortage of miners. Solving the economic problems that face the country will not be easy. But a solution must be found, the standard of living must rise, or all the dreams of a brave new world will be shattered.

There are, of course countless other problems. One of the most disturbing is the reappearance of anti-Semitism. This dates way back

in Polish history and, despite the law against it, still persists. In the contest for power in recent months one of the Party groups rode on it. In the demonstrations during the October days, the old cry of "Down with the Jews" was heard in at least one spot, and nobody quarreled with the persons shouting. The few remaining Jewish families are worried.

The Poles are fired with the spirit that comes with newly-won freedom. They are eager to get on with the job of building a new kind of socialism, in line with their own history, traditions, and temper. It will be, they boast, a socialism free of repression, one consonant with human dignity, infected with a new Communist morality. If they succeed in creating such a society, one in which people eat better and dress better and are housed better, and at the same time have political freedom, then a big advance will have been made for the whole world.

THE POLISH OCTOBER

An Interview with Oscar Lange

The following interview with Oscar Lange was held in Warsaw by Leo Huberman on November 19, 1956. Before and during World War II, Dr. Lange was a Professor of Economics at the University of Chicago. After the war, he served successively as Polish Ambassador to the United States and chief Polish delegate to the United Nations before returning to his native country. Since then, he has been a member of the Sejm, the Council of State, the Polish Academy of Sciences, and the Central Committee of the United Polish Workers Party. Long well known in this country, Dr. Lange is perhaps in a better position than any other Pole to give an authoritative interpretation to Americans of the views and plans of the new Gomulka government.—THE EDITORS

Question: What kind of roots did the regime develop during the October crisis?

(1) First of all, it won the real support of the working class. During the previous period, a major part of the working class was alienated from the regime. The events in Poznan were the most dramatic symptom of this fact. I think it can be said without exaggeration that at no time did the United Polish Workers Party have such support of the working class as that which developed during and after the October events. The reason was that the Party gave expression to the aspirations of the working class both in the political and in the social fields. It ceased to be the representative of a ruling

bureaucracy over which the working class had no effective control, and became the representative of the masses carrying out a policy of democratization of the political and economic structure of the country.

This required, of course, a change in the leadership of the Party which took place under direct pressure from the most advanced parts of the working class and of the students in particular.

(2) Second, the regime has won the support of the youth, particularly the young workers and students. It must be observed that the majority of the students in Poland at present come from workers' and peasants' families. Thus common meetings and political action of students and workers were the most outstanding feature of the October days in Poland. The basic demand of the students was freedom of discussion and of criticism. The students had read the classical works of socialist theory, the works of Marx, Engels, and Lenin. The reformers in the 16th century compared the reality of the Papal Church with the teachings of the Bible; in the same way, our students compared the reality of the Stalinist version of socialism with the teachings of Marxism and Leninism. They drew their conclusions; thus a very lively criticism developed of our actual practice of socialist construction. Frequently, this criticism was highly confused, but the best part of it was inspired by an application of Marxist theory to our own society. That criticism was pretty devastating; the conclusion was the need for a new way of building socialism in our country.

This critical mood of the students was supported by a similar stand of our leading intellectuals both within the Party and among non-party members. They helped to formulate the goals of the democratization movement.

This movement aimed to restore to the terms "socialism," "people's democracy," and "dictatorship of the proletariat" their real meaning which had been profoundly distorted during the Stalinist period in a way that threatened to discredit the very idea of socialism.

For the workers, socialism began to mean increasingly direct participation in the control of the factories. When, in July, the Central Committee of the Party issued the slogan of "workers' democracy in the factories," a spontaneous mass movement of establishing workers' councils developed throughout the whole country. Today (November 19, 1956) this mass movement was legally sanctioned through the adoption, by the Sejm (parliament), of a law on workers' self-government in industry. This movement amounts really to a kind of new "social revolution."

(3) Thirdly, the regime got the support of the peasants. They

were dissatisfied because of the arbitrary rule of local officials over whom they had no effective control, officials who had the power to impose delivery quotas, tax rates, all kinds of discriminatory practices. Thus the application of unlawful measures of administrative economic pressure to force them to enter into cooperative farms hampered their economic incentives. For the peasants, the new policy means, in the first instance, the ability to develop their productive potentialities without being exposed to discriminatory measures in case they succeed, as was formerly the case.

Finally, there is, in all social classes, the important factor of national consciousness. During the Stalin period, the political structure of each socialist country was based on a kind of hierarchical principle: a leader on the top, sub-leaders, sub-sub-leaders in the various fields, and so on. The same hierarchical principle was observed in the relations between socialist countries (of course with the exception of China). The leaders of the various countries were, according to the Stalinist conception, all subordinate to Stalin. This caused a distortion in the relations between socialist countries, an abandonment of Lenin's principle of equality in these relations.

It is clear that a nation with such strong national consciousness as the Polish people have could not but feel particularly concerned about this. The restoration of the principles of mutual respect for sovereignty, equality, and socialist internationalism as the basis of the relationship between socialist countries, gained for the Party the unanimous support of the whole nation. These principles are now clearly stated in the declaration of the government of the Soviet Union of October 30, 1956, the declaration of the government of the Chinese People's Republic, and finally the mutual declaration of the United Polish Workers Party and the Communist Party of the Soviet Union of November 18, 1956.

Question: What are the future plans of the Polish government?

The plans might be stated concisely as follows: (1) Solution of existing economic difficulties, (2) continuation of the industrialization of the country, (3) increase of agricultural production, and (4) development of socialist democracy. I will discuss these items in turn.

(1) The existing economic difficulties are due chiefly to two factors: (a) The lagging of agriculture behind the fast rate of industrial development. Agricultural production has not met the rising effective demand of an increasingly non-agricultural population, nor does it sufficiently meet the growing demand of industry for agricultural raw materials. (b) The disproportion between industrial capacity which had been built up during the Six Year Plan (1950-

1955) and the raw materials available due either to lack of sufficient production in the country or lack of imports. Polish industry works with very small stocks of raw materials and intermediary products, and this frequently causes disturbances. Special efforts will have to be undertaken to overcome all bottlenecks which have developed in the economy during the period of very rapid industrialization.

(2) Industrialization, of course, continues to be the basis of construction of a socialist society not only for economic but also for sociological reasons. If we consider the achievements of the Six Year Plan we would say that they consist not only in having built up industrial productive capacity, but also in having developed a strong and dynamic working class.

The new men that industrialization has produced are even more important than the factories that have been built. It was these men who asserted the rule of the working class in the October days and who form the social basis of the movement for workers' self-government in industry and socialist democracy.

Thus the continuation of industrialization is not only a matter of pure economics, it is also a matter of strengthening and increasing the leading role of the working class in the socialist society which is taking shape.

In the next year, the process of industrialization will take the form not so much of constructing new plants as was previously the case, but of modernization of old plants and of strengthening the raw materials basis of industrial development. The latter is partly going to be achieved indirectly, through the development of export industries in order to be able to purchase raw materials from abroad.

(3) Successful industrialization requires overcoming the gap which has developed between the rates of increase of agriculture and of industry. For the time being this will be done by stimulating the incentives of the individual peasant economy. I have already mentioned the obstacles which formerly existed in this field. These obstacles are going to be removed. There will also take place a liquidation of those cooperative farms which had no sound economic foundation and which were maintained only through state subsidies. Such subsidized farms served only to discredit the idea of cooperative farming with the sober-minded peasant.

However, with the average size of a peasant farm in Poland being only around 15 acres, cooperative farming remains, in the long run, the only sound perspective for agricultural development. We expect that the peasants, if allowed to develop fully the potentialities of their individual farms, will soon find out the limitations

of individual farming. These limitations will be further accentuated by the steady exodus of young people from agriculture to industry. Thus the ground will be laid for the socialist transformation of agriculture on a voluntary and democratic basis.

(4) Our plans for economic development also imply a change in the methods of economic planning and of managing the economy. In both these fields there is going to be decentralization. In particular, socialist enterprises will receive much more autonomy; they will make their own decisions—of course within the framework of the national economic plan. This is a prerequisite of flexibility of management as well as of democracy. Workers' self-government in the factories has no meaning unless the enterprises have a considerable range of freedom of decision.

It seems to me that the highly centralized type of management of the national economy which previously existed had its justification during the period of intensive industrialization. It served to prevent leakage of resources to "non-essential purposes," that is, to purposes of low priority with regard to the requirements of industrialization. We also had great difficulties in training managerial personnel. This, too, required centralization of decisions, because poorly trained personnel was not sufficiently qualified to make its own decisions.

Now, however, conditions have changed. The system of highly centralized management and planning has become an obstacle to further progress. It has created a vast bureaucratic machine and made the economy inflexible. This system of bureaucratic centralism has even threatened to distort the socialist character of the relations of production by depriving the workers and the people at large of effective control over the means of production.

For this reason, decentralization of management, and workers' self-government in factories appear to us to be essential features of socialist democracy. This will not weaken, but on the contrary it will strengthen, the effectiveness of planned economy. Economic planning will become more effective because it will be unburdened of preoccupation with non-essential details (as, for instance, the number of cucumbers which are going to be pickled—actually the plan went into details of this nature!). Further, the objectives of the plan will be implemented, not by means of administrative orders but by means of economic incentives, which certainly are a much more powerful instrument.

We have studied with great care the experiences in planning of the USSR, China, Yugoslavia, Czechoslovakia, and other countries, but of course we shall have to develop our own methods suited to our own historic conditions and economic structure.

We have made many errors in the past; I hope we will make fewer in the future, but of course we won't be able to avoid some errors. There is no other method of building socialism but by trial and error. However, the number and importance of errors can be reduced by sound application of Marxist theory and by critical study of the experiences of other socialist countries.

Question: Will there be a change in Poland's relationship to other countries?

I think it would be more proper to say that our relations will really become what they always were supposed to be. Our relations with the USSR have now really been put on a basis of equality. In consequence, Polish-Soviet friendship acquires much firmer foundations because it is based on mutual interest and real backing by the whole nation. Polish-Soviet friendship is strictly connected with the existence of the people's democratic regime in Poland. The broadening and strengthening of that regime which took place recently must, of necessity, result in the broadening and strengthening of that friendship. The same holds for our relations with other socialist countries.

At the same time, we believe it possible and desirable to broaden our relations, both economic and political, with capitalist countries. Poland's geographical position and cultural connections with both East and West put her in a special position to work for mutual understanding of all nations.

As socialists, we have, of course, a special interest in the labor movement in the Western countries. The best help the labor movement in the Western countries as well as the socialist countries can give us, is not unqualified approval of our efforts in building a socialist democracy, but sympathetic attention and friendly criticism.

ONLY A SUGGESTION

(Reproduced by permission of *Punch* from the issue of August 9, 1939)

I thought as I sat by the shore of the sea
What a wonderful, beautiful thing it would be
If the Briton, the Teuton, the Gaul and the Slav
Should take all the guns and the tanks that they have
And sink them out there in the infinite main,
And then begin building them over again.
For no one, you know, is desirous to fight,
They are only protecting the Truth and the Right,
And nothing but armaments endlessly made
Can stop Unemployment and benefit Trade,
And the Heart of a Nation as never before
Is united when making Munitions of War.
How happy the state of the world when it finds,
What is simple to all mathematical minds,
That you cannot go on making gun after gun,
Because there is nowhere to put them when done,
And the largest of factories, even the Banks,
Would refuse in the end to find storage for tanks.
But a little more trust between nations, I think,
Would allow them to meet every August and sink
In a suitable place they could easily settle
Enormous supplies of explosives and metal,
And a cup would be given—the winner to count
As the one that got rid of the largest amount,
And could soonest return to the Blessings of Peace
Which are instantly doomed should Rearmament cease.

I thought as I sat by the shore of the sea
What a wonderful, beautiful thing this would be
For Commerce and Culture, and Friendship and Cash;
And the children, no doubt, would be pleased by the splash.

—EVOE

PLANNING A LA CREOLE

BY HARVEY O'CONNOR

The self-glorification of American business enterprise marches ahead in seven-league boots. Never has there been a system so perfect, so admirable. The only trouble is that lots of people don't like it.

In self-glorification, few corporations can hope to attain the heights achieved by Standard Oil of New Jersey in its institutional ads in the *Saturday Review*, *Harper's*, and such like egghead organs. But bought-and-paid-for advertising is generally suspect. How much better it is to have an objective study done by an outside agency which couldn't care less whether Jersey is a paragon of capitalist virtue or a perpetrator of imperialist rape. Such an agency is the National Planning Association.

NPA has been busy, these last few years, explaining the fecund proclivities of U. S. corporations abroad, first in *Sears, Roebuck de México*, then *Casa Grace in Peru*, and the *Philippine American Life Insurance Company*. The latest object of its attention is *The Creole Petroleum Corporation in Venezuela* (December 1955, 116 pp., \$1.00). Creole's parent, Standard of New Jersey, may it be noted immediately, did not pay for this. The study was made possible by the Carnegie Corporation and the John Hay Whitney Foundation. We await expectantly NPA's report on the beneficent activities of United Fruit in Guatemala (financed objectively by the Rockefeller, Guggenheim, or Ford Foundation).

The upshot of all this expensive, objective studying is a paraphrase of Charley Wilson: What is good for Venezuela is good for Creole, and vice versa. The relationship is not only symbiotic, it seems almost providential, so patient, wise, and farseeing is Creole, so intelligent and *simpático* the "military elite" in charge of the country. Venezuela was indeed fortunate to have oil developed by leading representatives of that American industry which has such an "enviable record of achievement in fulfilling the high-level economic and social objectives." "Literally," we are assured, "this is the industry from which 'all blessings flow' in the economic and social development of Venezuela."

NPA pulls no punches in underlining the importance of this report. In no other country, it says, has a single industry had such an impact on the economy, and in no other has a single company

MONTHLY REVIEW

been so predominant a factor. NPA has not overstated the case. Creole's is the single biggest United States overseas investment anywhere in the world; this lone company, itself one of the 300 or so subsidiaries of Standard of New Jersey, produces nearly as much oil as the entire industry of the Soviet Union; indeed, 48 percent of



"OH YOU GREAT BIG WONDERFUL CORPORATION, YOU!"

Jersey's \$709 million net income last year came from Venezuela. Although the industry employs but 3 percent of the country's work force, it accounts for 63 percent of direct government revenues (and if levies on those dependent on the industry are included, for as high as 90 percent of the state's income). In only one regard is Venezuela "poor"—it hasn't a single oil millionaire. After Creole and the "military elite" get through, there's none left for native oil capitalists!

The NPA report sketches the background of the country's history. It is a remarkable perversion. Bolívar, the Liberator, is presented

as a soldier-statesman who insisted that subsequent soldier-statesmen preserve order and constitute the "elite governing class." As the country had neither capitalists nor a substantial middle class, and the latifundistas were too slothful (or too absorbed in Parisian delights) to govern, the military, according to NPA, became the political backbone of the nation. This culminated in the unspeakable General Juan Vicente Gomez whose barbarities are covered by the polite word "colorful."

After Gomez' death in 1935, the country entered for the first time a democratic burgeoning which flowered in the *Accion Democrática* government, described in the study as "leftist." The use of the adjective is a mild piece of McCarthyism, for the AD government was no more leftist than the Roosevelt administration: its leaders were wholeheartedly anti-Communist; its program so moderate that even the NPA report can hardly skip noting that the present petroleum law, which it regards as a world model for foreign capital, was developed during AD rule. For all its shortcomings from even a liberal point of view (it refused to implement a real agrarian policy against the latifundias and it abetted military intervention in political life), the AD did further the growth of democracy for the first time in Venezuela's troubled history. For this, it gets no credit whatsoever from the National Planning Association, which reserves its kudos for the "military elite."

The report concedes that the military dictatorship is somewhat short of perfection, but there are no cross words for its savage repression of civil liberty, its gross corruption, its Caesarean obsession for "sowing the petroleum" (that is, investing petroleum revenues) in spectacular projects. Only an eyebrow is lifted when the government builds extravagant superhighways which pass through towns that have no sewers, no water, no telephones, no hospitals. Sixty percent of all public works funds are expended in and about Caracas; NPA ventures that one "might raise a question as to whether a sound system of social priorities is being applied." The University City, which puts United States colleges to shame for the opulence of its buildings, has a 1,115-bed hospital which has not yet been fully opened because of lack of staff; the University itself is closed from time to time to halt student unrest. But, as the report says, "when so much is being done in such a short time, there are bound to be some things happening that are not to everybody's taste."

The report skips over the most interesting single bit of recent history, the overthrow of the AD regime by the military elite, in which NPA places so much trust and respect. Leaders of the AD charge that Creole and other oil companies encouraged the revolt which sent democratic leaders into exile and brought an end to the

Petroleum Workers Federation. Obviously, Creole is telling nobody about what role it played when Caesarism was re-established, and apparently NPA didn't consider the point worth looking into. But the company's figures show 21,000 employees in 1948, the year that democracy was washed out, and 14,400 in 1954, the lowest figure since 1946, despite a 50 percent increase in production. While wage payments remained almost stagnant, profits climbed from \$199 million in 1948 to \$240 million in 1954. It is interesting to note that profits are nearly two and a half times greater than total wages, salaries, and benefits. The only comparable ratio in profits to labor costs on such a scale is to be found along the Persian Gulf, where Jersey, Shell, and related giants also prosper.

Despite the figures, Creole takes a bow from NPA as a "risk-taker," and is complimented for its "wholeheartedly sincere policy." "The Venezuelan people," we are told "think of Creole as a real asset in the country." Just how one polls a country under a dictatorship that calls off elections when they go wrong is one of the "sincere" mysteries in NPA's objective study. It would be just as easy to say and even easier to prove that "the Venezuelan people" think no such thing of Creole and in fact abominate it and all its works.

Who are "the Venezuelan people" whom NPA knows so well? Perhaps a third are *conuqueros* existing miserably on small bits of mountainside holdings or laborers on the latifundias, still using primitive tools, as NPA admits. Industrial workers sheltered behind one of the world's highest tariff walls get pay which is high by Latin American standards; they also pay the highest prices for common necessities to be found in the hemisphere, barring not even the United States. But it is in the petroleum industry itself where one would find out how well Creole is loved. NPA concedes that there is little unionism left where once the Petroleum Workers Federation and a half dozen unions held sway. Union leaders are in exile or in the death colonies of the Orinoco delta. "Ad hoc" workers' committees now function occasionally, the report states, revealing the powerlessness of the skeleton unions that are still tolerated. What unions are left are of course strictly non-political. "The ban on political activity is now very much in effect, and the penalty for the union activist who forgets it may be exile or jail." The likelihood of large scale strikes "now is very remote."

Perhaps we should turn from NPA to *Facts and Figures*, the publication of the Inter-American Regional Organization of Workers (ORIT), the arm of the AFL-CIO in Latin America. Commenting on the NPA report, *Facts and Figures*, in its issue of March-April 1956 says that the enormous revenues

have not prevented most Venezuelans from living poorly while suffering under the yoke of one of the most brutal Latin American dictatorships. . . . Where the report sins most, is in its glossing over the barbarities of the present regime while apparently pretending to give a picture not only of Creole's activities, but also the whole state of Venezuelan affairs. It shies away from calling the present regime by its real name and also avoids giving the proper facts about its bloody and arbitrary persecution of freedom-loving citizens, misdeeds that are the common knowledge of the world, have aroused its ire and have met with the silent or outspoken condemnation by such UN agencies as the International Labor Office or UNESCO. The latter organization recently even declined to hold one of its meetings in Caracas, the country's capital and seat of its usurped government.

ORIT's indictment of the regime echoes that of the *Encyclopedia Britannica* which states that the economy functions for the benefit of the latifundistas and the army so that economic benefits for the common people are few. The apparent stability in the country, says the *Encyclopedia*, is "illusory," for in the deeper layers of the population "there exists a democratic ferment" which threatens some day to break out. Then will topple the temple erected by Creole and its native collaborators.

Let us now return to NPA and its report. Creole, it says, is abandoning its paternalistic role in furnishing workers' camps with attendant medical and educational benefits. It now prefers to work for "community integration," which means that public services must be furnished by the government—or not at all.

The oil field camps have been established in hitherto nearly unpopulated regions—the malarial marshlands of Lake Maracaibo or the semi-deserts of the eastern llanos. Refineries have been built on the Paraguana peninsula—pure desert to which water must be piped, like oil. It is proposed that in such locations the families of employes be thrown on the tender mercies of the military elite for public services. But the military elite has never been interested in such matters. And so, for "community integration," the new hospital in Maracaibo has been turned over to United States Catholic sisters and the schools in Amuay to another United States Catholic order.

Creole proposes to force employes to buy their own homes instead of living in company houses. But in Amuay, the town for refinery workers planted in the desert, home-buying has not prospered. A worker may leave a company house without qualms, but what could his own home be in such a place but another contribution to Creole's "stable" labor force? The alternative, for Creole workers, seems to be residence in a company house, often substandard even in comparison with accommodations furnished by other oil companies,

or in one of the unspeakable fringe communities like notorious El Tigre in the Anzóategui llanos. NPA notes sadly that Creole's experiment in "community integration" isn't working any too well, but the blame of course is on the lack of public spirit and independence shown by the workers. They love paternalism, particularly Creole paternalism, says NPA.

So much for NPA's apologia for the coexistence of Creole and the military elite. Let us now turn to NPA's Policy Committee. This body has drawn up a statement of five assumptions to guide it in assessing the operations of American corporations abroad. The first assumption is that "well-operated and profitable businesses abroad can establish patterns of behavior that contribute materially to the welfare of the countries involved without unduly disturbing native cultures, living patterns, and ideologies."

Before Creole, Venezuela was a poor country in every sense. But it was more or less self-sufficient. Its meager import needs were met by exports of coffee, cocoa, and hides. Since Creole, Venezuela is a wealthy country, enjoying a per capita income of \$800 a year. But now it exports hardly anything at all but oil; it imports half of its food and the vast range of luxury goods demanded by the 10 percent of the population within oil's charmed circle. At enormous expense it subsidizes various consumer industries whose prices are far above world levels. The government is devoted to the principle of autarky; not the least impelling reason is the profit to favored insiders in government-subsidized corporations. It is certain, of course, that otherwise the market would be swamped with cheap goods from the United States and Western Europe, much to the consumer benefit, whatever may be said for the principle of self-sufficiency for an entity of 5 million people.

The oil industry contributes some \$600 million a year, directly and indirectly, to the government. Venezuelan economists have espoused the policy of "sowing the petroleum" in industry and socially beneficial public works. This policy has been nominally adopted by the government. When it is remembered that as recently as 1940 total government income was around \$100 million, some idea is gained of the meteoric rise in revenue. Obviously, the nation could be remade, physically, by wise expenditure of the oil income. Here indeed is a planner's dream country, where the budget is always balanced and the surplus keeps on growing. Here is a project worthy of the National Planning Association itself—were it not that NPA has lost interest in the entire subject of planning and devotes itself now to piecemeal studies of the economy and apologies for American business abroad.

Alas for dreams! The budget shows that only 40 percent of the petroleum is being "sown" in public works and other capital goods. And there are appalling leakages in even this 40 percent. Fortunes are made on public contracts, far and above what can be considered normal. Real estate speculation attends most of the grandiose projects. The War Department absorbs far more revenue than education, for the military elite must not only have a sizeable army (though the country has never been at war with a neighbor), but also a navy with destroyers prowling the Caribbean, and an air force with the latest in jet planes to play with.

Considering the billions which have passed through the government's hands in recent years, it would be remarkable indeed if the results were not impressive. NPA's figures are for the years 1938 to 1954. They show the death rate nearly halved; school enrollment more than doubled; production of sugar, rice, electric power, cement, soap, tires, and beer vastly increased. The period covers 11 years of more or less democratic government and six years of the military Junta and of Dictator Pérez Jiménez. There can be no doubt of the tremendous development in this span; but considering the gushing of oil funds into the federal treasury, it is hardly more spectacular than the growth of Mexico or Brazil.

NPA's second assumption, that the example of a well-run United States enterprise abroad will encourage native private enterprise, can be interpreted only in an ironic sense in the case of Venezuela. The *cucaracha* capitalism of the real-estate speculators, the insiders in government-subsidized industries, the owners of factories existing only by virtue of extortionate tariffs, of plantations which export only because of federal subsidies, is a travesty on the kind of private enterprise beloved of NPA. It is essentially parasitic; it lacks the promise of ever developing beyond the infant stage, both because of the small market and because of the deformed nature of a mono-industrial economy. As the *Statesman's Yearbook* (1954) puts it: "Venezuela's economy is based mainly on what the German economists call *raubwirtschaft*, a 'plunder-economy' which lives on the sale of natural assets, like oil and iron ore."

NPA's third assumption is even more speculative. It is that the activities of Creole will help to provide "strong insulation against Communism and political instability." In view of NPA's use of the word "leftist" to describe the only democratic government Venezuela ever had, it is hard to know just what is meant by "Communism." As to political instability, of that there can be no doubt. It seemed, after the death of Dictator Gomez in 1935, that Venezuela at long last had entered the path toward democracy; when the AD regime was strangled by the colonels in 1948, both President

Rómulo Gallegos and former President Rómulo Betancourt claimed it was the oil companies which had inspired and encouraged the military. Today, the military elite is using 20 percent or more of the national revenues for military and police forces aimed at only one enemy—there being no other—namely, the Venezuelan people. When one recalls the role of companies in Mexico, Iran, and other oil-soaked nations in fomenting political instability, it becomes truly astonishing to note NPA's third assumption. If one were to assume anything in regard to a massive foreign corporation imbedded in a weak, undeveloped country, it would be the likelihood of political instability.

NPA's fourth assumption is that United States private enterprises must be encouraged to help less developed countries with "vital" raw materials. "Cooperative measures" will assure the United States of continued access to such materials. The fifth assumption is that the activities of Creole will convince Venezuela that the corporation is promoting the country's economic and social development. But it is doubtful if a single Venezuelan economist or sociologist can be found who would state privately and confidentially that Creole and the kind of "cooperative measures" fostered by Creole are doing anything but deform and debase the nation politically, socially, and economically. Even publicly, if somewhat obliquely, the nation's savants (those who have escaped prison or exile) express their reservations.

Time was when the National Planning Association was a reputable organization. Its reports in the heyday of the New Deal pioneered along lines of social and economic planning. It drew officers and board members from the more socially intelligent (or vocal) business men, from the universities, and from labor. Then came the cold war, and among its minor victims was NPA. It has been busy the past decade suggesting patches here and there for the domestic economic system and counselling on better ways to win the cold war, rather than end it. Such activities stultify the very concepts of economic and social planning. NPA perhaps is conscious of this and might like, if it were possible, to drop the obsolete word "planning" from its title.

But what is one to say about the labor members of NPA who presumably approved this report on Creole? In the face of repeated AFL-CIO and ICFTU denunciations of the military Junta for its destruction of the oil workers' and other unions and its savage repression of liberty, of the refusal of the AFL-CIO to attend a meeting of the International Labor Office because it was held in Caracas, the labor members of NPA are silent.

NPA issues many reports in which trustees dissent in footnotes

and sometimes in forewords and appendices. But not a peep appears in this booklet from any of them. It could hardly be that such men, even if they believed everything in the report on Venezuela's economic development, could overlook the absence of freedom, without which material progress is so much dust and ashes. Certainly they have been vocal on the absence of freedom in other parts of the world. Marion Hedges, former editor for the International Brotherhood of Electrical Workers, Clinton S. Golden, a founder of the United Steelworkers, President Arnold S. Zander of the AFL Municipal Employes, Solomon Barkin, research director for the Textile Workers Union, President L. S. Buckmaster of the United Rubber Workers, President James B. Carey of the International United Electrical Workers, President Albert J. Hayes of the International Association of Machinists, President Walter P. Reuther of the United Auto Workers—all are members of the NPA board of trustees which approved this report without demur. They owe more than an apology to the oil workers of Venezuela and to the officers of their unions, held in the death camps on the Orinoco delta or forced into exile.

FREE WORLD DEPARTMENT

I had the Legislative Reference Service of the Library of Congress collect some data for me about the countries abroad from which I derived the following conclusions. There are 71 countries outside the Iron Curtain which we erroneously refer to as the "free world." Of these 71 nations, 49 of them are outwardly or actually dictatorships or close oligarchies and the majority of them cannot even pass under the term benevolent dictatorships. Of the remaining 22 nations, most of them truly have some claim to the adjective "free" as far as their political governments are concerned, but, certainly as far as the economic control of several of them is concerned, it is oligarchic and a small percentage of the nation is living off the backs of the other 99 percent.

—Representative Thomas B. Curtis (R.-Mo.),
Congressional Record, February 18, 1955

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WORLD EVENTS

By Scott Nearing

Preventive Wars

"Why Britain and France went to War in Egypt" is the title of a frank article in *U. S. News & World Report* (November 9, 1956, pp. 29-38). The answer: "To topple Nasser, control Suez, save their oil." The article then spells out the details of the French-British military drive "to prevent war" and "keep the Suez Canal open."

In the same article the reasons for the Israeli invasion of Egypt are given: "Israel's Prime Minister David Ben Gurion and the tough military leaders of his country recently decided that it was 'now or never' for Israel to break out of the Arab military and economic encirclement. As the Israeli leaders saw it, the balance of power in the Middle East was shifting rapidly from Israel to the Arabs because of the Russian arms pouring into Egypt and Syria. They were convinced that Egypt's Gamel Abdel Nasser intended to use force or demand surrender as soon as he was confident of success."

Following these reasons for the joint British-French-Israeli attack on Egypt during the closing hours of October, 1956, there are detailed descriptions of the diplomatic and military preparations which had been going on for months before these simultaneous preventive wars were launched.

Keeping Up With the Bolshies

Speaking to the World Affairs Council in Dallas, Texas, on October 27, 1956, Secretary Dulles said, in effect: "Praise God, we have the ammunition!" At the beginning of his speech, Mr. Dulles mentioned peace, then: "Let me speak first of our military strength. That we must have. For moral strength is not enough. If we were relatively feeble in relation to the vast military power possessed by unscrupulous men, then we would not be the masters of our own destiny."

It is simple for the United States to be militarily strong, Mr. Dulles continued. "We alone have the economic and financial strength and the 'know how' to prevent the world from being dominated by the atomic and nuclear weapons which the Soviet Union is feverishly developing."

"Fortunately," Secretary Dulles added, "it is not necessary for

MONTHLY REVIEW

the United States alone to possess all of the military power needed to balance that of the Soviet bloc." Collective security arrangements with forty-two nations bulwark Washington's defenses against "the aggressive and violent foreign policies" of "the Soviet and Chinese Communist rulers."

Evidently the State Department feels that in armaments and military alliances, which alone count in the mad struggle for world predominance, the United States is well ahead of its Communist rivals.

Outside the military field, the United States is not doing so well, according to James Reston, who heads the *New York Times* staff in Washington.

At no time since the Korean War, and perhaps even since the Communist conquest of the Chinese mainland, have United States officials been confronted by a more serious situation than now faces them in the Middle East.

To put it bluntly, . . . the Soviet Union has now emerged as the dominant power in that area, with the possibility, amounting to a probability, that it will be able to establish its authority in Syria and Egypt between West Europe and the vital oil supply of the Middle East. . . . As most observers here see it, not only has there been a decline of the West's power in that area but the Soviet Union has emerged as the defender of the Arab world. At the end of World War II, the Soviet Union was left as the most powerful nation in the vast land mass from the North Sea to Vladivostok. Since then the Soviet Union has extended its influence over all of East Europe, over the whole of the Chinese mainland. . . . Hatred of the Western powers, hatred of Israel and the disunity of the Atlantic powers now have given the Communists a new potential area of conquest in the Middle East, where both history and geography are on their side. (*New York Times*, November 14, 1956.)

Next day, November 15, the *Times* lead editorial, "A Time for Decision," was blunt and bellicose: "The United States is faced with one of the most momentous decisions of the postwar era." The Egyptian request for "volunteers" raises the issue: "This could be the beginning of Soviet control of the Middle East with its fabulous oil fields and the vital Suez Canal." The United Nations cannot deal with the problem. "The issue is between the United States and the Soviet Union. . . . We must in the immediate future decide whether we are going to play the global role for which our strength and genius and the developments of modern history prepared us or whether we are going to retire to 'Fortress America.' . . . The Russians were making one of the most daring moves of contemporary history. They saw their opening in the Middle East and they went for it. If they succeed in controlling the Persian Gulf oil fields and

the Suez Canal—even just by denying them to us—the Soviet Union is going to be a greater world power than the United States. This is simply geography, economics and, above all, power politics. . . . If we cannot protect the Middle East from the Russian Communists, the free world will lose much of Africa and Asia. . . . The time to stop the ‘volunteers’ . . . is now, before they get in. . . . We can stop them for they have no right in the Middle East and we have the power to stop them. This should be made clear to Moscow before any ‘volunteers’ go, and if necessary before the issue gets bogged down in the United Nations.”

If Mr. Reston is correctly informed, the central issue in the Middle East is neither the Israeli encirclement nor Egyptian domination of Suez. Rather, the cold war between two major powers has erupted at one of the strategic centers of the world’s heartland, with the Soviet Union occupying, at least momentarily, a position of superior strategic importance, from which it may be dislodged by threat, and, if necessary, by the use of armed force. Should this third preventive war be launched, it would dwarf into puerile inconsequence the two preventive wars launched against Egypt during the closing hours of October, 1956.

War Is Back in Favor

War is back in favor among United States higher-ups. Thirty years ago, when spokesmen for the United States and most of the other first and second rank powers signed the Kellogg-Briand Peace Pact, which renounced war as an instrument of national policy, Washington stood for peace—at least on paper. Now the pattern has changed. The two chief allies of the United States, Britain and France, have gone to war against a fellow member of the United Nations. While Washington refused to join the military expedition which invaded Egypt in October-November, the President stated during his news conference of November 14, that he was more than anxious to rejoin his old buddies at the earliest possible moment. “I am determined that with this [United Nations action in Egypt] out of the way our friendships with these two countries are going to be stronger than ever, if I can bring it about.”

Preventive wars launched by three United Nations members in the Sinai peninsula and Egypt are quite incidental. The real problem is the steady march of Communism across Asia. On that vital issue, writes James Reston, there is no doubt that the United States has been outmaneuvered and outflanked. We are in danger of losing the game in terms of peaceful coexistence, writes the *New York Times* editor. Ready the planes. Unlimber the artillery. Bring out the bombs. If we can’t beat them, we can vaporize and annihilate them!

Three decades after the Kellogg Pact officially abolished war, little and big powers have slipped back into the savage practice of advancing their petty, national interests by arming and fighting—in the name of peace and world order.

Knowledge Is Power

Science, official journal of the American Association for the Advancement of Science, in its October 5, 1956 issue, published a report on the distribution of scientific information in the Soviet Union. In scientifically advanced countries, comments *Science*, “the problem of distributing the enormous world-output of scientific and technical information” is formidable. In the Soviet Union, this information is handled by an Institute which is a department of the Academy of Sciences. Staffed by 1800 members, the Institute of Scientific and Technical Information looks through 10,000 journals from all over the world. Each year its thirteen abstracting journals publish about 400,000 abstracts dealing with developments in every scientific field. By these means Soviet scientists and technicians are kept in touch with the most recent developments in all parts of the world.

So far as the Editors of *Science* know, this is the largest and most systematic effort thus far to make current scientific information quickly and generally available. Since knowledge is power, when war breaks out as Marshall Montgomery anticipates, in 1963, one of the first acts of anti-Communist bomber commands will be to liquidate the Institute of Scientific and Technical Information in Moscow.

A Case of Social Dissolution

Egyptian nationalization of the Suez Canal “shocked” and “stunned” Western diplomats and came as a great surprise to the reading public because people had been taught that private property in a public utility, like an international canal, is founded upon the laws of nature. Actually, private property has no basis in nature; but is a human invention.

Private property in the means of production is one of the basic principles of Western civilization, in accord with which one individual or group is permitted and encouraged to hang “No Trespassing” signs on segments of the earth’s surface and to exclude his fellows from the use of the monopolized site. Such property lines are only as strong as the laws and policing systems which provide for their continuance. One of the signs of the times is the shift in property titles from private to public ownership and control.

Suez, until July 26, 1956, was the private property of a canal company, whose title of ownership was established by a concession

granted in 1854. Until the end of October, when a third of the Canal Zone was occupied by invading armies, the Canal was the public property of the Egyptian government and people.

At the turn of the century, immense areas in Asia and Africa carried "No Trespassing" signs, decked out with the Union Jack, the French tricolor, and the national flags of Italy, Germany, Belgium, and Holland. During the past few years these signs have been pulled down, one after the other. Unless history shifts its course, spokesmen for the West might just as well get over being shocked and stunned, and prepare themselves to see the emblems of Western political power pulled down by the nationalist movements which are sweeping Asia and Africa—in North and Central Africa, the Middle East, Cyprus, and Singapore in 1956; at the Bandung Conference in 1955; in Indo-China and Malaya in 1954; in Korea in 1950-1953.

Side by side with the moves of colonial peoples to set up national housekeeping on their own account, goes the growing weakness at the heart of the former world empires—economic instability in Britain, political insecurity and ineptitude in France, Italian insolvency, and the growing tendency of the West German government to resist the demand for remilitarization forced upon Bonn by NATO. Signs of dissolution were evident in Western Europe before 1945. Since that year, they have multiplied.

Expropriation of the lives and properties of others by military conquerors and exploiters is being rejected more or less vigorously in many widely separated parts of the planet. Suez is one example of a choice bit of property, seized and held through decades by the British lion, and now re-possessioned by the local population.

Horror Story of the Month

We would like to repeat the latest China horror story. It comes from the pen of Ian Mikardo, member of the British Parliament, feature writer for the London *Tribune*, a world traveler recently returned from a tour of Asia. His article in the September 28th issue deals with Hong Kong, a British "crown colony":

Virtually all the people in the Republic of China are Chinese. Almost all the people in the colony of Hong Kong are Chinese. Yet when you cross from one to the other you're not just walking into a different country—you're walking into a different world.

It was not so in the old days. It used to be true of *both* places that their principal characteristics were bribery, corruption, "squeeze," gambling, drugs, flies and prostitution.

It's a mark of the New China that all of these characteristics have practically disappeared. You can't bribe: if you even try

MONTHLY REVIEW

to give a tip, the waitress or the barber returns it to you with a smile.

Extra-marital sex is a criminal offense, and even in Shanghai prostitutes are as scarce as flies. There's no gambling, little drinking and no drugs.

It's a *puritan* society (a bit too puritan for my liking). Peking must be the only capital city in the world where everything shuts at ten.

There you have the story, in its total horror. The New China does not pander to physical appetite, nor does it tolerate the lures and wastes of night life. It is *puritan* (underlined by Mikardo himself). Shades of Plymouth Rock! The world is going to the dogs!

Reader Reaction

Much of the reader reaction which is welcomed in *Monthly Review* and its *World Events* column is constructive. Here, for example, is a moderately sharp jab from Connecticut:

I read *World Events* in the *Monthly Review* with pleasure. May I be pardoned for saying that I find R. Palme Dutt in *Labour Monthly* somewhat more stimulating, but I think that is due to the context of his writing and activity and not to any superiority in knowledge or analytical ability, *per se*. To the reader, he represents a political force. I suspect that our greatest deficiency in the left-wing movement in this country is the lack of a coherent, well-knit and potent political organization. This makes it seem to me that the *Monthly Review*, excellent in content, really is doing little more than throw creampuffs. That's what I feel about a lot of writing that stems from no organized source. That is why for me it is difficult to get anyone to read anything they "should" read. Having read, what can they do? I fear that the reactionary elements have been highly effective in the post-war years at breaking up efforts at unity among progressives. They have been sowing fear, dissension, and suspicion, particularly by working from within unions and other mass organizations. Our worst enemies have been pseudo-liberals. I have only commendation for the *Monthly Review* in its efforts to allay some of the internecine strife. I have no solutions to offer. I know that any leadership worthy of the name will be labeled Communist, since there has been such a tremendous investment in making that label odious to the American people. When we reach the point where we don't mind what the leadership is called, as long as it is strong, progressive leadership, we will be ready to move.

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To New York area readers: don't forget the Sweezy lecture series on American capitalism. For details, including the titles of the individual lectures, see page 352.

Leo Huberman's itinerary since our last Notes from the Editors has included Warsaw, Moscow, and Prague. At press time he is back in London preparing to leave for India via Rome and Israel. His report on Poland in this month's issue will be followed by others in coming months. His address in India from early January until some time in March or April will be: c/o Indian Statistical Institute, 203 Barrackpore Trunk Road, Calcutta 35, India.

Scott and Helen Nearing are also on the way to the Far East as we go to press. Scott writes from Vancouver where they took ship on December 12: "We are spending the next 100 days in Asia, mostly in the uncommitted countries. We want to know what these countries propose to do and how. We have some excellent contacts and should be able to pick up a good deal of useful information. Hope to see Leo in Calcutta." And he adds: "Canada west of Winnipeg is in a big boom based on oil and lumbering—selling their birthright, largely to the U.S.A. Vancouver and British Columbia especially busy."

One of the crucial civil liberties cases in this country today is the sedition trial of William and Sylvia Powell and Julian Schuman, now before the Federal District Court in San Francisco. Space prevents our giving details, but we do want to urge you to inform yourself about this case and to contribute as generously as you can to the defense. It is turning out to be a very expensive case, and this may be only the beginning. We have looked into the matter carefully and can assure you of the urgency of the need. Inquiries and contributions should be addressed to Charles Mattox, Treasurer, Powell-Schuman Defense Fund, P. O. Box 1808, San Francisco 1, California.

A study group is being formed in Baltimore. Interested readers should get in touch with Robert Kaufman, 3507 White Chapel Road, Baltimore 15.

An official of a Texas association of gasoline filling stations writes: "I have just completed reading your book *The Empire of Oil* by Harvey O'Connor. I found this book very interesting and enlightening. I am of the opinion that many people in the service station business would like to read it." This gave us an idea. Almost all of you know one or more filling station proprietors. How about selling them *The Empire of Oil*? It would do both them and MR a lot of good.

Nota Bene: If you are moving and want the next month's issue delivered to your new address, you must let us know of the change by the 20th of the preceding month.

Ready in February

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